

Kentucky Tobacco Settlement Trust Corporation

Meeting Minutes

April 24, 2000

The continuation of the sixth official meeting of the Kentucky Tobacco Settlement Trust Corporation was held on Monday, April 24, 2000, at 3:00 p.m., in Room 149 of the Capitol Annex. Governor Paul E. Patton, Chairman, called the meeting to order, and the secretary called the roll.

Members Present:

Governor Paul E. Patton, Chairman; John-Mark Hack, President; Scott White, for General A. B. Chandler; Mark Farrow for Commissioner Smith; Tommy Bale; Gary Cecil; David Chappell; Joe Clarke; Marshall Coyle; Debbie Draper; Jim Lacy; Wilson Stone; Representative Tomas; and Henry West.

Others Present:

Hoppy Henton, Director, and Bob Finch, Deputy Director, USDA, Kentucky Farm Service Agency; Lisa Thomas and Joel Neaveill, Governor's Office of Agriculture Policy; and Jeanette Miley, Attorney General's Office.

Old Business:

This meeting was a continuation of the Kentucky Tobacco Settlement Trust Corporation meeting that was held on Thursday, April 20, 2000, in which no decision was made for the basis upon which the proceeds of Phase II of the Tobacco Settlement money would be distributed. The board was somewhat divided at the meeting on the 20th, and it was decided to recess that meeting and continue it on April 24th at 3:00 p.m.

There were two options presented at the last meeting. One was to base this year's distribution on last year's activity with the understanding that that would be the process that would be followed, with each year being based on the previous year's activity. The other option was to utilize the 99 distribution which was based on the 98 crop year for the tenant and the grower and distribute one-third of the pot to each of those two groups and another one-third to the quota owner of record as of July 1 of that year.

A motion was made for the 2000 year, the board use the same divisions of the money that was used in the previous year, but base it on 1999 history with individuals and production. An addition was made to the motion that for 2000 and subsequent years, that it roll forward and use the previous year's history in making the payments. The motion was seconded.

Governor Patton asked if everyone had the motion pretty well down. President, John-Mark Hack read a resolution to help board members better understand the motion. There was some discussion about the motion.

An amendment to the motion was made to move it to 1999 and freeze it on 1999 for the remainder of the program. The motion was seconded and after a short discussion, it was voted on and the motion to amend the motion failed.

The original motion was voted on and passed.

President John-Mark Hack updated the board on the process for remaining Phase II distributions from 1999 as well as distributions of the Tobacco Loss Assistance Program payments. We were able to distribute 98.5% of the Phase II money. There is 1.5% that still don't have their checks and we will be issuing those checks by the first of May. We are also on target to have the TLAP payments issued to the corrected database between May 1 and May 15. Then we would initiate an application process for TLAP compensation to dark fired tobacco producers. Then we would initiate a clean-up Phase II and TLAP application process for those folks who either failed to apply on time for 1999 Phase II payments or had processing mistakes with their applications. The exact dates are pending.

President Hack also asked the board for their approval for expenses in traveling and participating in the National Tobacco Trust Conference for himself and three (3) staff members that would amount to \$850 per person with expenses incurred by the Commonwealth reimbursed as administrative expenses by the Kentucky Tobacco Settlement Trust Corporation. The board approved.

Being no further business the meeting adjourned at 3:50 p. m.